

Message Text

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15

ACTION COME-00

INFO OCT-01 EA-06 ISO-00 AID-05 CIAE-00 EB-07 FRB-03

INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01

OMB-01 L-02 /040 W

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R 180901Z APR 75

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 7666

C O N F I D E N T I A L JAKARTA 4654

E.O. 11652: GDS

TAGS: BEXP ID

SUBJECT: KRAKATAU STEEL MILL CONSTRUCTION

REF: A. STATE 083951 AND PREVIOUS

B. JAKARTA 3837

1. EMBASSY ACUTELY AWARE OF NEED FOR TIME TO PREPARE STRATEGY TO TAKE ADVANTAGE OF WHATEVER OPPORTUNITIES MAY APPEAR AS RESULT OF CURRENT GOI REVIEW OF KRAKATAU STEEL MILL PROJECT. EMBASSY ALSO BELIEVES THAT REF A REFLECTS WASHINGTON AGENCIES' AWARENESS OF FACT THAT SOURCE OF OUR INFORMATION IS HIGHLY PRIVILEGED AND SENSITIVE CHANNEL AND TOO AGGRESSIVE PURSUIT OF THIS POTENTIAL OPPORTUNITY BY EMBASSY OR U.S. FIRMS COULD JEOPARDIZE BOTH CHANNEL OF COMMUNICATION AND POTENTIAL OPPORTUNITY. SITUATION IS EVOLVING RAPIDLY AND EMBASSY WILL KEEP YOU INFORMED OF SIGNIFICANT DEVELOPMENTS/PROSPECTS.

2. AS SIGNALLED BY REF B, SUMARLIN REMOVED MARJOENI APRIL 16 FROM TOP POST AT KRAKATAU AND REPLACED HIM WITH LR. TUNKY ARIWIBOWO, FORMERLY A DIRECTOR IN DEPARTMENT OF INDUSTRY. THIS APPARENTLY SIGNIFIES REMOVAL OF KRAKATAU FROM IBNU'S DIRECT INFLUENCE. ACCORDING OUR SOURCE, MANAGEMENT'S IMMEDIATE PREOCCUPATION

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IS MEETING WHICH IS SCHEDULED IN A FEW WEEKS WITH GERMA

SUPPLIERS TO EXPLAIN REVIEW OF THEIR CONTRACTS.
REGARDING POTENTIAL STEEL CONSULTANTS WE UNDERSTAND
GOI WILL INSIST ON A COMPANY WITH NO EQUIPMENT
MANUFACTURING ASSOCIATION OR IN-HOUSE PROCESS. SCOPE
OF WORK FOR CONSULTANT NOT YET CLEAR TO US
THOUGH WE INFER PROJECT MANAGER WILL BE SOUGHT.
NEWSOM

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NNN

Message Attributes

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Concepts: n/a
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Draft Date: 18 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Executive Order: GS
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Margaret P. Grafeld
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